

## Message Text

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PAGE 01 BRUSSE 01288 131937Z

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ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 TRSE-00 CIEP-02

CIAE-00 INR-07 NSAE-00 /033 W  
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R 131758Z FEB 75

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 3149

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY PARIS

USMISSION EC BRUSSELS

UNCLAS BRUSSELS 01288

DEPT. PASS TO G. PLANTS, EXIMBANK

E.O. 11652: N/A

TAGS: EFIN EAIR BE

SUBJECT: A300B (AIRBUS) SALES

REF: STATE 27146

1. BELGIUM'S AIRBUS CUSTOMER IS TRANS EUROPEAN AIRWAYS (TEA), CHARTER FIRM ESTABLISHED 1971. TEA INTRODUCED ITS FIRST AIRBUS ON FEB. 9. IT JOINS A FLEET OF FIVE BOEING 707S. A SECOND AIRBUS IS SCHEDULED FOR DELIVERY NEXT MONTH. TEA HAS ORDERED TWO BOEING 737S FOR DELIVERY IN MARCH AND APRIL 1976, AND EXPECTS TO PUT TWO MORE 737S IN SERVICE IN 1977, BY WHICH TIME IT WILL PHASE OUT THE 707S.

2. ACCORDING TO TEA COMMERCIAL MANAGER NUYENS, FINANCING TERMS FOR AIRBUS ARE PRECISELY COMPARABLE TO THOSE AVAILABLE FOR PURCHASE OF US-MANUFACTURED AIRCRAFT. THE AIRBUS COMPANY PUTS TOGETHER THE FINANCING PACKAGE FOR THE BUYERS, AND IT INCLUDES A SPLIT OF 30 PERCENT CONCESSIONAL FINANCING (APPARENTLY AT 7 PERCENT) BY THE GOVERNMENTS INVOLVED, AND 70 PERCENT FINANCING BY PRIVATE BANKS AT OR NEAR PRIME

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PAGE 02 BRUSSE 01288 131937Z

COMMERCIAL RATES. WITHOUT SPECIFYING DETAILS, NUYENS SAID

THAT REPAYMENT TERMS ARE THE SAME AS THOSE AVAILABLE FOR US PLANES. NUYENS ACKNOWLEDGED THAT GOVERNMENTS GUARANTEE THE LOANS, BUT HE DID NOT STATE TO WHAT EXTENT.

3. NUYENS TOLD US THAT FINANCING FOR THE BOEING 737S TO BE DELIVERED IN 1976 IS 100 PERCENT ARRANGED FOR THE FIRST AICRAFT AND 90 PERCENT FOR THE SECOND. HE COMMENTED THAT TEA WAS DISAPPOINTED THAT EXIM BANK AT FIRST OFFERED TO FINANCE ONLY 20 PERCENT OF THESE 737 PURCHASES, LEAVING 80 PERCENT TO BE FOUND FROM PRIVATE BANKS AT HIGHER RATES. PREVIOUSLY EXIMBANK HAD PROVIDED 40 PERCENT OF THE TOTAL (PRESUMABLY FOR TEA'S FLEET OF 707S). BY REDUCING THE PERCENTAGE OF TOTAL FINANCING OFFERED, EXIM WAS NO LONGER COMPETITIVE WITH THE FINANCE PACKAGE AVAILABLE FROM THE COMBINATION OF EUROPEAN GOVERNMENTS AND RIVATE BANKS. RENNER

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## Message Attributes

**Automatic Decaptioning:** X  
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**Control Number:** n/a  
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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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**Disposition Date:** 01 JAN 1960  
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